

EXHIBIT 1

INTRODUCTION

Respondent Megan Chernin has been a member of the Board of Trustees of the California State Summer School for the Arts ("CSSSA") since February of 1997. As a CSSSA trustee, Respondent is a designated employee of CSSSA, as defined in Section 82019, subdivision (c) of the Political Reform Act (the "Act"),¹ and in CSSSA's conflict of interest code.

As required by the Act and CSSSA's conflict of interest code, each designated employee of CSSSA must file an annual statement of economic interests by April 1st of each year (unless April 1st falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).² On the statement of economic interests, the designated employee must disclose the reportable economic interests that he or she held during the preceding calendar year.

In this matter, Respondent failed to timely file an annual statement of economic interests for the calendar years 1998 and 1999. The Enforcement Division handled this case on an expedited basis under the SEI Expedited Procedures adopted by the Commission in July of 1999.

For the purposes of this Stipulation, Respondent's violations are stated as follows:

COUNT 1: As a designated employee of the California State Summer School for the Arts, Respondent Megan Chernin failed to timely file a 1998 annual statement of economic interests, by April 1, 1999, in violation of Section 87300.

COUNT 2: As a designated employee of the California State Summer School for the Arts, Respondent Megan Chernin failed to timely file a 1999 annual statement of economic interests, by April 3, 2000, in violation of Section 87300.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to assure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Regulation 18116.

In furtherance of this purpose of disclosure, Section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency's conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and other income. Under Section 82019, subdivision (c), and Section 87302, subdivision (a), the persons who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on any economic interest.

Under Section 87302, subdivision (b), an agency's conflict of interest must require every designated employee of the agency to file an annual statement of economic interests, for each year that the employee remains in office, at a time specified in the agency's conflict of interest code. On the statement of economic interests, a designated employee must disclose his or her reportable economic interests from the preceding calendar year.

Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

SUMMARY OF THE FACTS

Respondent Megan Chernin has been a member of the Board of Trustees of CSSSA since February of 1997. As a CSSSA trustee, Respondent is a designated employee of CSSSA. As a designated employee, Respondent has a duty to file an annual statement of economic interests ("SEI") by April 1st of each year (or the next regular business day after April 1st if April 1st falls on a Saturday, Sunday, or official holiday), disclosing her reportable economic interests from the preceding calendar year.

COUNT 1

Failure to Timely File 1998 Statement of Economic Interests

Respondent was required to file a 1998 annual SEI by April 1, 1999. On February 18, 1999, CSSSA Deputy Director Joseph Alameida sent a notice to Respondent that she must file her 1998 annual SEI, by April 1, 1999. On March 2, 1999, Mr. Alameida faxed a letter to Respondent, reminding her to file her 1998 annual SEI by the filing due date. On March 31, 1999, Mr. Alameida faxed a third letter to Respondent reminding her to file her 1998 annual SEI by the filing due date. On April 1, 1999, Mr. Alameida left Respondent a voice mail message reminding her that she needed to file her 1998 annual SEI by the end of the day. Despite these notifications, Respondent failed to file her 1998 annual SEI by the April 1, 1999 due date, in violation of Section 87300.

When Respondent did not timely file her 1998 annual SEI, the matter was referred to the Technical Assistance Division of the Fair Political Practices Commission. On March 15, 2000, Staff Services Analyst Cyndi Glaser sent a letter to Respondent, informing her that her 1998 annual SEI was past due. When Respondent did not reply to this letter, Ms. Glaser sent a second letter to Respondent

on June 15, 2000, informing Respondent that her 1998 annual SEI was past due. Respondent failed to file to her 1998 annual SEI in response to these notifications.

COUNT 2

Failure to Timely File 1999 Statement of Economic Interests

Respondent was required to file a 1999 annual SEI by April 3, 2000. On March 2, 2000, CSSSA Deputy Director Joseph Alameida sent a letter to Respondent reminding her to file her 1999 annual SEI by the filing due date. Despite this notification, Respondent failed to file her 1999 annual SEI by the April 3, 2000 due date, in violation of Section 87300.

When Respondent did not file her 1999 annual SEI by April 3, 2000, the matter was referred to the Technical Assistance Division of the Fair Political Practices Commission. On June 15, 2000, Staff Services Analyst Cyndi Glaser sent a letter to Respondent informing her that her 1999 annual SEI was past due. When Respondent did not reply to this letter, the Technical Assistance Division referred the matter of Respondent's failure to file a 1998 and a 1999 annual SEI to the Enforcement Division.

On September 21, 2000, Investigator William Motmans spoke with Respondent by telephone, and advised her to file two SEI's for calendar years 1998 and 1999. Five days later, on September 26, 2000, Respondent filed the delinquent SEI's for both calendar years.

From April 1, 1999 to April 3, 2000, Respondent was the only member of the 16-member CSSSA board who did not timely file her annual statements of economic interests.

CONCLUSION

This matter consists of two counts of violating Section 87300, which carries a maximum administrative penalty of Four Thousand Dollars (\$4,000).

Under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an individual who files a delinquent SEI within 30 days of being contacted by the Enforcement Division is between Two Hundred and Three Hundred Dollars (\$200-\$300). However, because Respondent failed to timely file two years in a row and disregarded several notifications from CSSSA and the FPPC, the facts of this case call for an administrative penalty that is somewhat higher than the approved streamlined penalty range.

Therefore, the facts of this case justify imposition of an administrative penalty of Four Hundred Dollars (\$400) per count, for a total of Eight Hundred Dollars (\$800).